



Annual Report

2008 - 2009



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PART 1: Introduction and Overview

A.1.Foreword by the Mayor



In presenting the Annual Report of the Nyandeni Local Municipality we will account for the work that was done for the financial year July 2008 until June 2009. The report will highlight our achievements and will reflect on the challenges facing our various and diverse communities.

Over the last financial year we have had the mandate to create a better life for the people of Nyandeni Municipality. I am convinced that as a Council, we have made good strides in stabilising the administration and improving the delivery of basic services, such as health, social facilities and roads network to our people.

Though we were hamstrung by resource constraints, we have managed to equitably distribute resources throughout the municipal area. However, we are still faced with the challenge of transforming the municipality to a developmental institution in line with the concept of developmental local government as outlined in the White Paper on Local Government. To this end, the community of Nyandeni must be at the centre of development and we therefore have to change the institution to reflect the diversity of our population in order to create confidence in the institution.

Nyandeni Local Municipality has dedicated itself to creating a stable, effective governance structure. Political instability will be a threat to effective service



delivery and it is therefore important to create a mature and focused governance structure for the municipality.

One of the most important tasks of any public institution is to ensure that internally there is a stable, creative and diverse environment on which to base its activities. In this regard we have to pay attention to the strategic process of Integrated Development Planning, Transformation and Human Resources Management.

Nyandeni Local Municipality is committed to promoting workplace diversity and progressing employment equity. The municipality has progressed satisfactorily in its employment equity undertakings. Despite the challenges and the magnitude of the process, the municipality remains on track to achieve its equity targets.

The institution is working very towards getting unqualified audit report from Auditor General. The year under review the institution has made a much improvement items which led to qualified audit report from Auditor General Office. We are closer to the provincial target of 2011 clean report by Office of Auditor General.

I want to express my sincere appreciation to our taxpayers and residents who steadfastly adhered to paying their dues to the municipality and also thank the Acting municipal manager, senior staff and the total workforce of the Nyandeni Local Municipality for their support and commitment.

COUNCILLOR T SOKANYILE

MAYOR



A.2. EXECUTIVE SUMMARY BY THE ACTING MUNICIPAL MANAGER

The 2008/2009 financial year reporting period has ushered in new approaches to fast tracking service delivery to our communities. The year was characterised by an increase in service delivery protests which has necessitated better public participation with all sectors of our community. It is very important to appreciate the 'good naturalness' (Ubuntu) and patience of the Nyandeni people given the challenges the municipality is facing. The support by our political leadership through ensuring interactive communication with the different communities of our municipal area has played a very important role in positive citizenry by being critical but still constructive.

Our municipal area is regarded as one of the most poverty stricken given the statistics of all social ills that serve as indicators to such poor state of affairs such as high illiteracy levels and unemployment which were also deepened by the economic recession that has resulted to retrenchments particularly in the motor industry and mines which are the major sources of employment for our areas. In the same breath, the Nyandeni people pride themselves with the natural beauty unrivalled by any in the whole world. The Nyandeni Local Municipality in partnership with other departments and various sectors of our community has started a process of identifying all strategic assets in our area of jurisdiction with the purpose of ensuring that such assets are to be utilised responsibly with the aim of pushing back the frontiers of poverty. This has resulted in the anchor projects such as fish farming which is at a feasibility stage aimed at using our natural coastal resources to ensure food security and coastal property development which is at negotiable stage.

The agrarian transformation and the new forestation programmes bringing the expertise of established partners in these fields will ensure sustainable development, skills transfer and employment for the 56000 households of our area thus ensuring a better life for all for generations to come. The important characteristics in these projects is the participation of our traditional leadership and the component which emphasises that what is produced in the area must be processed within the area thus ensuring value adding is done within the area. The Mlengana project and our partnership with Ndibano Group and the communities of Mlengana area currently at advanced feasibility stage has received more than a million Rands funding from the European Union through Thina Sinakho, promises to be a major success and has proven the municipality to be able to utilise funds in a responsible manner thus opening doors for future funding such as the more than half a million rands approved by DEDEA. The improvement in the opinion of the Auditor General's report from several qualifications to only one qualification marks significant improvement to the manner the institution handles its finances and resources thus boosting confidence to potential investors.

On infrastructure development, the institution has taken a conscious decision to implementing new technology in road construction. This approach is derived from the fact that transport is the lifeblood of commerce, will ensure better and lasting roads compared to gravel roads that get washed away in the rainy season.



Our area, remote as it may be, is also experiencing the 2010 FIFA World Cup tournament excitement engulfing the entire country. This was also enhanced by the launch of the Rural Sports Programme by the Honourable sports minister, Rev Makhenkesi Stofile and the Nyandeni mayor's cup which was a major success.

The major challenges facing our municipality are the drying of the major sources of water supply resulting in delays to the approval of the water treatment plant which is suppose to service the whole of Libode area which has resulted in the blockage of a housing project for 500 houses already approved by the Provincial department of Housing, lack of adequate spatial development framework to ensure efficient land use management and budgetary constraints given the needs of society we serve.

In conclusion, it is important to thank all those that have contributed and intend to contribute to the betterment of the lives of Nyandeni people.

A.M NCUBE

MUNICIPAL MANAGER



B. The yearly program priorities' statement by the Municipal Manager

The 2008/2009 financial year Annual Performance Report is in line with the new reporting format as developed by the Municipal Support and Monitoring Services of the Chief Directorate of the Department of Local Government and Traditional Affairs.

In the 2008/2009 financial year reporting period, the Nyandeni Local Municipality prioritised the following programmes:

1. ACCESS ROAD CONSTRUCTION

Six access roads were constructed during this financial year. However the municipality has adopted the approach of moving towards new technology road construction techniques to prevent construction of gravel roads that get washed away during the rainy season. The municipality is also in the process of prioritising economic and social roads after developing a road network for the entire municipal area.

2. DEVELOPMENT OF BYLAWS

The municipality developed draft bylaws to ensure good and efficient governability of its municipal area. The municipality engaged in an intense public participation process with the aim of obtaining the public inputs and buy-in from all relevant sectors of the community particularly those that will be directly affected by the bylaws. The bylaws are currently at a stage of gazetting.

3. LOCAL ECONOMIC DEVELOPMENT

The municipality has identified strategic assets that can leverage economic development in its area of jurisdiction thus improve economic activity that will come with all possible positive spinoffs such as employment and high purchasing power. The projects are as follows:

- Sea Fish Farming which is at the Feasibility Stage
- Mlengana Project which is at the advanced feasibility stage with funding transferred to the municipality to the value of R 1 800 000-00 from the European Union and provincial Department of Economic Development and Environmental Affairs.
- Agrarian Transformation Programme

This program is aimed at ensuring efficient use of vast tracks of available land and ensuring food security. The project is at negotiable stage for the establishment of one stop market place that will include a dairy producing farm



and processing plant, plantation of Lucerne for the dairy farm by the communities after receiving training, partnership between communities and commercial farmers for the maize production and establishment of a milling plant.

- Coastal Development Programme

This programme is aimed at ensuring efficient utilisation of our coastal beauty and develop coastal properties. This programme is at an advance negotiation stage between the municipality and the traditional leadership of the 20km coastal stretch of land as the custodians of such land. Progress is slow given the sensitiveness on land ownership issues.

5. **WASTE MANAGEMENT**

The institution constructed a landfill site which is currently unlicensed and this financial year the municipality was working towards ensuring such licensing. The municipality has engaged in poverty alleviation program of employing casuals from the poverty stricken areas to assist in the cleaning operations of the towns in the municipality.

6. **OPERATION CLEAN AUDIT**

The municipality developed appropriate measures to deal with audit queries raised by the Auditor General's Office audit report by the developing a management response programme targeting all issues that cause the municipality to receive negative. This yielded positive results by reducing the number of qualifications to only one qualification.

The above programmes are just but a few priority programmes that are aimed at improving the lives of the people of Nyandeni and a lot of ground work has been done to ensure actual implementation.

A.M NCUBE

ACTING MUNICIPAL MANAGER



C. Overview of the Municipality

1.1 DEMOGRAPHIC PROFILE

The population of Nyandeni is estimated to be 314 273 people living in 56 851 households. This population figure indicates a slight growth from 276 698 people in 2001. The average household size in the municipality is 4 people per household. The gender distribution analysis of the Nyandeni population reflects a similar pattern to that of the country with females accounting for 54% and males only 46%. Since females form the greater portion of the economically active population age groups 15 to 64 years, it will be strategic for the municipality to increase their participation in local governance issues.

About 77% of households can be regarded as indigents with access to either no income or incomes of less than R800 per month. A further 14% of households only receive a gross monthly income of less than R1600

Nyandeni Local Municipality is part of the OR Tambo district situated in the Eastern Cape Province. The municipality is largely rural with 79% of its households residing in traditional or village type settlements while only 20% reside in urban formal. Its urban population is mainly located in the small two towns of Ngqeleni and Libode. The head office of the new Municipality is in Libode, situated approximately 30km from Umtata and 50km towards the coastal town of Port St John's. (See locality Map)



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ECONOMIC DEVELOPMENT & ENVIRONMENT

Economic development is made the fourth ranking priority in the municipality as from 2008/9. This is a strong indication that the current municipality is serious about turning its development challenges around.

A LED strategy is in place and the municipality has committed to implementing its proposals in 2008/9. The strategy outlines mechanisms and interventions for:

- Attracting new investments in key strategic sectors of our economy
- Providing support to SMMEs
- Promoting Agriculture, Farming and Tourism development
- Improving skills base and capacity in our local markets
- Promoting employment creation opportunities for our labour force
- Supporting local businesses and entrepreneurs to prosper

The LED strategy is sympathetic to the Provincial Growth and Development Strategy priorities as well as some of the resolutions of the District Economic summit held by OR Tambo recently.

The main challenge facing the municipality's efforts to roll-out the strategy is lack of funds. A commitment is made in the current IDP review to build lobbying capacity for mobilizing resources to ensure that the LED strategy is fully implemented.



D. Executive Summary

INSTITUTIONAL DEV + TRANSFORMATION & FINANCIAL VIABILITY

Nyandeni municipal leadership has committed to promoting sound and good governance culture within the organisation. The main focus areas identified for good governance interventions in 2009/10 include:

- Training of ward committees to improve their effectiveness in advancing goals of public participation
- Provision of dedicated administrative support to CDWs and councillors to aid their role as link between council and communities
- Establishment of sound mechanisms and systems to discourage corruption and ensure functional internal audit
- Continuous engagement with sector departments to improve intergovernmental relations and especially their participation in the implementation of this IDP review 2009-10 via IGF

Mobilization and coordination of existing resource capacity to enhance our scale of service delivery and economic growth through such initiatives as establishment of PPPs and participation in district wide initiatives including the realisation of commitments made at the recent Economic Growth Summit held by ORTDM

Our municipality has committed to revising our institutional design in line with our Macro Strategy Which encourages us to focus on our assigned powers and functions mandate before we can do all other functions that are not assigned to us. We have so far managed to put in place key institutional systems and processes including:

- a comprehensive PMS
- an Employment Equity Plan
- a Work Place Skills Plan
- a Work Place Aids Plan
- Review and completion of our suite of HR policies and By-laws
- an Indigent Policy
- an Internal audit function



PART 2: KPA ACHIEVEMENT REPORT

Chapter 1: Institutional Transformation and Organizational Development –KPA 1

1.1 Presentation of the organizational structure (approved organogram)

The municipality has the following departments:

- Municipal Managers Office
- Technical Services
- Community Services
- Budget and Treasury Office
- Corporate Services

The organogram has 377 : Posts of which 203 are vacant posts.

No performance agreements and employment contracts of MM and Section 57 Managers were submitted.

1.2 Staff development initiatives during the Financial Year

- **Skills Programmes implemented internally**

- MFMA – 9 Officials
- Project Management – 27 Councillors and 9 Officials
- Examiners of Driving License- 1 Official
- Local Government Law and Administration – 3 Councillors
- Skills Auditing Techniques – 3 Officials
- **Leadership Skills – 18 Councillors**
- Policy Making – 18 Officials
- **Operator Training – 6 Plant Operators**
- Firearm Competency Training- 3 Officials
- Civil Design – 4 Officials
- Certificate Programme for Management Development in Municipal Finance - 2 Councillors & 2 Managers
- Municipal Finance Management Programme – 8 Officials
- Contractor's Course – 5 Officials
- LGNET/ LGRC Training – 38 Attendees comprising of EXCO Members, Managers and Officers
- Masters in Public Administration – 1 Councillor
- Executive Leadership Programme – 1 Councillor & 1 Official
- Debt Collection & Credit Control Course – 3 Officials
- Job Evaluation Training – 1 Official
- Promun Training – 3 Officials
- Training Committee Training- 1 Councillor, 2 Interns & 2 Union Members
- Finance for Non- Financial Managers – 01 Councillor
- Enrolling ten (10) employees for Road Traffic Management Learner ship



In addition to this NLM Granted bursaries to four (4) new applicants and five (5) employees are already continuing with their studies.

- **Skills Programmes implemented externally**

- Training 74 unemployed from 37 registered caterers (2 from each company).
- Training active farmers for maize production. Contractor's Course (for Maize Production) – 17 Farmers attended training Course on maize production
- Training eighty(80) people from the community on Personal Financial Management (target group –youth). Twenty-six attendees comprising of both the unemployed community members and General Workers.

Received approval from SETA for placement of six (6) Interns Placement of six (6) Interns in departments relative to their fields of study for a ten (10) months period funded by National Skills Fund (Premier's Office) through O R Tambo District Municipality.

- Human Resources -2
- Planning & Development: LED -1
- Tourism – 2
- Information Technology -1

1.3 Key HR statistics per functional area

1. Full time staff complement per functional area (examples are given below)

a. MM/Section 57 and Line Managers

	Approved positions (e.g MM-S57 etc...)	Number of approved posts	Budgeted posts	Filled posts	Vacant posts
6	Municipal manager's office	35	20	18	17
2	Technical Services	33	16	11	25
3	Planning and Development	26	17	13	18
4	Community Services	185	83	79	81
5	Budget and Treasury Office	40	21	21	27
1	Corporate Services	58	34	32	13
	Total:	377	191	174	181



- b. Staff complement in the technical services = 11

2. Technical staff registered with professional bodies

Technical Service (e.g water, electricity etc...)	Total number of technical service Managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
	0	0	0	0

3. Levels of education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	Number of staff with Tertiary/accredited professionals training
174	94	35	45

4. Trends on total personnel expenditure –

Financial Years	Total number of staff	Total approved operating	Personnel expenditure (salary and	Percentage of expenditure



		Budget	salary related)	
2006-2007	135	R69 555 149	R11 886424	15%
2006-2007	135	R69 555 149	R11 886424	15%
2008-2009	174	R75 929 867	R34 208 031	44%

5. List of pension and medical aids to whom employees belong (please add if necessary)

Names of pension fund	Number of members	Names of medical Aids	Number of members
SAMWU Provident Fund	134	Bonnitas	30
		LA Health	03
		Key Health	02
		SAMWUMED	50
		HOSMED	17

1.4 Senior officials' wages and benefits (even if included in the financial statements);

- Municipal Manager – R142 217.07
- Corporate Services Manager - R121 512.51
- Planning and Development Manager – R581 996.76
- Technical Services Manager – R347 577.40 and Acting Allowance of -
- Community Services Manager – R373 591.94 and Acting Allowance of -
- Strategic Manager – R349 648.24

1.5 Implementation of the Performance Management System (PMS):

Council has adopted a PMS framework and is still not yet fully implemented

1.6 Annual performance as per key performance indicators in municipal transformation and organizational development



	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	191	22	7%	Skills shortage
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	8	1	1%	Unresolved disciplinary cases
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	100%	0	0	Unresolved disciplinary cases
4	Percentage of Managers in Technical Services with a professional qualification	0%	0	0	Skills shortage
5	Percentage of municipalities within the district area that have a fully functional Performance Management System (DM only)	N/A	N/A	N/A	N/A
8	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	0%	0	0	Skills shortage



9	Percentage of councillors who attended a skill development training within the current 5 year term	73%	20%	20%	Budget constraints
10	Percentage of staff complement with disability	1%	0	0	Employment Equity Plan still being developed
11	Percentage of female employees	35%	0	0	Employment Equity Plan still being developed
12	Percentage of employees that are aged 35 or younger	62	12	9%	Employment Equity Plan still being developed

1.7. Major challenges and remedial actions in regard to human resource and organizational management

Challenges	Remedial Actions
Vacant Sec 57 posts	Acting MM and Corporate Services manager seconded from OR Tambo DM
Technical capacity of the municipality	Recruitment in process
Skills shortage and flight	Development of Retention Strategy
Organisational structure not aligned to IDP objectives	Review of Organogram



Chapter 2: Basic Service delivery performance highlights (KPA 2)

2.1 Water services

a. Water services delivery strategy and main role-players:

- The Municipalities in Electricity provision is to coordinate the provision of electricity as it is assisted by ESKOM to implement electricity projects on behalf of the Municipality
- The Municipality also submits its priority areas to the ESKOM for consideration and to be included on the ESKOM Plan for the implementation of such projects.
- The Municipality also plays an important role of monitoring the projects that are implemented within its jurisdiction

The main role players are:

- Nyandeni Municipality
- ESKOM
- Communities
- Service Providers
- The main challenge is the lack of funding as compared to the backlog.
- Lack of communication between the Local Municipality and ESKOM.
- Delays in implementation of projects resulting in projects overlapping to other financial years

b. Levels and standards in water services:

c. Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	911	247	911	664	71%
2	Percentage of indigent households with access to free basic potable water					
4	Percentage of clinics with access to potable water					
5	Percentage of schools with access to potable					



	water					
6	Percentage of households using buckets					

d. Major challenges in water services and remedial actions

2.2 Electricity services

a. Electricity services delivery strategy and main role-players

b. Level and standards in electricity services

c. Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services					
2	Percentage of indigent households with access to basic electricity services					
4	Percentage of indigent households with access to free alternative energy sources					

d. Major challenges in electricity services and remedial actions

2.3 Sanitation

a. Sanitation services delivery strategy and main role-players

- The Municipalities in sanitation provision is to coordinate the provision of sanitation as it is the function of the District Municipality.



- The Municipality also submits its priority areas to the District Municipality for consideration by the DM for the implementation of such projects.
- The Municipality also plays an important role of monitoring the projects that are implemented within its jurisdiction
- The main role players are :
 - Nyandeni Municipality
 - O.R.Tambo District Municipality
 - Communities
 - Service Providers
- The main challenge is the lack of funding as compared to the backlog.
- Lack of communication between the District Municipality and Local Municipality.
- Delays in implementation of projects resulting in projects overlapping to other financial years

b. Level and standards in sanitation services

c. Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services					
2	Percentage of indigent households with access to free basic sanitation services					
4	Percentage of clinics with access to sanitation services					
5	Percentage of schools with access to sanitation services					

d. Major challenges in sanitation services and remedial actions

- The main challenge is the lack of funding as compared to the backlog.
- Lack of communication between the District Municipality and Local Municipality.
- Delays in implementation of projects resulting in projects overlapping to other financial years

2. 4 Road maintenance



a. Road maintenance services delivery strategy and main role-players

The Municipalities role in Road maintenance is to:

- To budget for the construction and maintenance of roads.
- To prioritise the projects to be implemented according to their urgency.
- To monitor and implement Roads projects
- To submit reports to MIG and other funders on the usage of funds received.
- To make sure that funds received are used to the maximum within the registered projects
- To lobby for funding for implementation of Roads projects.
- To submit priority roads to the Department of Roads for maintenance and construction of Provincial and National roads within Nyandeni.
- The Municipality also plays an important role of monitoring the projects that are implemented within its jurisdiction.

- The main role players are :

- Nyandeni Municipality
- Communities
- Service Providers
- Department of Roads and Transport
- External funders (MIG)
- DPLG

b. Level and standards in road maintenance services

c. Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	8849 HH (approximately 53094pp) @ 6pp/hh	442 for this financial year target (one project not yet complete)	8849	8407	95%
2	Percentage of road infrastructure requiring upgrade	420hh (approximately 2700pp)- two projects of road maintenance were completed	0	420	420	100



4	Percentage of planned new road infrastructure actually constructed	8849	442	8849	8407	95
5	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	100		R 23,439,000.00		100%

d. Major challenges in road maintenance services and remedial actions

- The main challenge is the lack of funding as compared to the backlog.
- Lack of communication between the Department of Roads and Local Municipality.

2.5 Waste management

a. Waste management services delivery strategy and main role-players

The District Municipality is a Waste Management Authority. Nyandeni Local Municipality is responsible for providing refuse removal service to its area of jurisdiction. Waste removal services refer to removal of general waste which can be grouped into domestic waste, commercial waste, building rubble and garden refuse.

Refuse removal service is provided to the two urban areas of Libode , Ngqeleni . This service is mainly provided in the municipal area that covers commercial and residential areas but excludes rural areas. This service has been expanded to Ntlaza, Kopshopu Taxi Ranks, and Mt. Nicholas JSS. The residential area from the abovementioned areas is excluded. Rural areas generally use a range of temporary mechanisms.

Waste is collected in refuse bags, transported by the waste collection vehicle to the waste disposal site. Waste is collected daily from the CBD area, twice a week from Ntlaza, Kopshopu and once from domestic households and Mt Nicholas.

The households are provided with black refuse bags while refuse bins are used in the commercial area.

Currently there is a constructed landfill site completed during the 2007/2008 financial year. The site has never been in operation due to a permit decline dated 31st October 2008. The municipality is currently operating waste disposal sites that are not permitted. Engagements with DEDEA both nationally and provincially have taken place on 20th February 2009 and 31st March 2009 to address the issue. The site has never been in operation until the end of the financial year 2008/2009.

The role players in the waste management provision are OR Tambo DM, DEDEA and the LM. There is an individual who is currently involved in waste minimisation through selling recyclable material from both towns to recyclers. DEDEA ensures that the waste management strategy is in line with



Government Policy. DEDEA has assisted the municipality in obtaining a permit to operate a landfill site and providing options for waste disposal while resolving the matter.

b. Level and standards in waste management services

Waste collection and transfer are relatively basic.

c. Annual performance as per key performance indicators in waste management services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to refuse removal services					

d. Major challenges in waste management services and remedial actions

The municipality primarily carries out the provision of these services and does not involve any other sector. Key challenge regarding waste management is lack of institutional capacity in terms of human resources, management and budget. Waste Management is attached to Community Services department which is a broad department. There is a need for a Waste Management Section within the Community Services Department. Provision for an appropriate budget for this function is necessary.

The challenge with the disposal system is a critical element which makes it difficult for the municipality to plan its waste management system. The municipality is dealing with the disposal system with a view that it will determine the other systems such as collection, transfer and recycling systems.

There is little community awareness in the municipality regarding waste management issues. There are no waste minimisation programmes co-ordinated by the municipality. Establishing a buy back centre that is subsidised by the municipality is highly recommended.

2.6 Housing and town planning

a. Housing and town planning services delivery strategy and main role-players

The Provincial Department of Housing is responsible for the approval of applications for housing development and for the allocation of funds for the construction of houses. The



Municipality plays a co-ordinating role in housing development. Among the roles of the Municipality in this regard is to identify land for housing development, mobilize housing beneficiaries and identify those beneficiaries who qualify for housing subsidy. The Municipality also through its town planning, develop the layout plan for the area where the houses are going to be built and have it approved. The town planning section also facilitates the survey of such area.

During the construction of houses the Municipality also serves as a developer and appoints contractors who will construct houses. When the construction of houses is complete, the Municipality hands over the houses to the beneficiaries through the signing of Happy Letters.

Further than that, the Town Planning is responsible for the general town planning services of the town of Libode and Ngqeleni. This section is responsible for advising the Municipality on all possible developments that are going to happen within the Municipality. This section also ensures that the Municipality does have a Spatial Development Framework and the Town Planning Scheme.

The Main players involved in Housing are:-

- The National Department of Housing whose role is the provide legislative framework on housing development and allocate funds to the Provinces. The National Department of Housing also approves the Housing Subsidy quantum.
- The Provincial Department of Housing approves housing applications and allocate funds to the Municipality. This Department also monitors the development of houses.
- The Municipality plays the facilitating role, mobilize and identify housing beneficiaries.
- The beneficiaries ensure that the houses are delivered according to their expectations and monitor the development of their houses.
- The contractors are responsible for the provision of a good quality of houses through construction.
- The town planning section ensures that the land in which houses are to be built is best suitable for such development and such development is done according to the Municipality's Spatial Development Framework. This section provide the layout plan for the area in which houses are to be built.

b. Level and standards in Housing and town planning services

The Municipality, when planning housing development takes into account houses for the low income and high income earners. This helps the Municipality to set up its yearly targets for delivery of houses according to these categories of levels. The Municipality first starts with housing needs assessment to determine the number of beneficiaries who qualify for low and high income. The town planning services are also provided in those



different level of access. Town Planning services also prescribe the type of services that will be provided in low and high levels of housing development.

With regards to the quality of houses the National Department of Housing prescribes the norms and standards for the level of houses to be delivered by the Municipalities. Each Municipality is expected to deliver houses according the prescribed norms and standards. Nyandeni Local Municipality is implementing 40 square meters in all of its low cost houses.

c. Annual performance as per key performance indicators in housing and town planning services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements					
2	Percentage of informal settlements that have been provided with basic services					
3	Percentage of households in formal housing that conforms					



to the minimum building standards for residential houses						
--	--	--	--	--	--	--

d. Major challenges in housing and town planning services and remedial actions

Some of the challenges in housing development include:-

- Shortage of water during construction that delays the completion period for housing development.
- Insufficient funds which sometimes makes it difficult to deliver good quality of houses.
- High increases in material prices.
- The quantum that is applicable to all whether in rural or urban areas.
- The untraceable beneficiaries to occupy their houses and which resulted in their houses being vandalized.
- Delays in the approval of town planning services and in the survey of the land for housing delivery

Remedial actions

Some of the remedial action to the challenges of housing and town planning services include:-

- That there should be a re-visit to the legislation that deals with allocation of funds for housing development so that projects away from where building material is being purchased i.e. those in rural areas should be given more money than those in urban areas.
- That the Municipality should be able to change beneficiaries when they do not turn up to occupy their houses.
- Funds should be allocated taking into account high material increases.
- That the red tape in approving of town planning applications should be minimized.

2.7 Spatial planning

a. Preparation and approval process of SDF:

The Municipality had developed its Spatial Development Framework which was approved in 2006. We are currently in the process of reviewing the Spatial Development Framework in trying to fill up gaps that have been identified in it.



After the SDF was approved a strategy was developed to disseminate and implement it. The SDF states that the Councillors, staff and communities will be workshopped about the Framework so that they also know its contents.

b. Land use management:

During the year under review the Municipality had been dealing with application in respect of the categories below.

- Rezoning,

There were 3 applications that were considered for rezoning during the year under review.

- Sub-division,

There were 2 applications for subdivision

- Consent use,

There was no application for Consent Use

- Removal of restrictive conditions

There was no application for Removal of restrictive conditions

- Township establishments

No application was made for township establishment

C. Major challenges in spatial planning services and remedial actions

Challenges in spatial planning include that:-

- The Provincial Department of Local Government and Traditional Affairs takes a very long time in approving applications for Land Use and there supposed to be a review of the legislation that regulates that.
- The outdated SDF that needs to be reviewed and which has not taken into consideration some important aspects of development and which is silent about coastal development. A review of the SDF will be a remedy.
- Development that is happening haphazard and not guided by proper planning. A review of SDF and implementation of Town Planning Scheme will be of great advantage.



2.8 Indigent policy implementation (1 page max):

- a. The indigent policy was not in place however the organisation would coordinate the develop the policy during the next financial year 2009/10.

2.9 Overall service delivery backlogs

Basic service delivery area	30 June 200..			30 June 200..		
Water backlogs (6KL/month)	Required	Budgeted	Actual	required	budgeted	Actual
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Electricity backlogs (30KWH/month)						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						



Spending on maintenance to ensure no new backlogs (R000)						
Sanitation backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Road maintenance backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality)						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Refuse removal						
Backlogs to be eliminated (n0. HH not receiving the minimum standard						



service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						
Housing and town planning						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)						
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality						
Spending on new infrastructure to eliminate backlogs (R000)						
Spending on renewal of existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)						
Spending on maintenance to ensure no new backlogs (R000)						



3.1 Brief presentation of LED strategy/plan

3.1.1 Status on developing the LED strategy/plan

Our Municipality has got its LED Strategy which was first developed in 2005 and approved in 2006. During its development, our Municipality identified 4 Key Economic Drivers for Nyandeni Municipality. These were Agriculture, Tourism, Forestry and Retail. In 2007 there had been a review on the Strategy with the intention of filling up gaps that were identified. Our Municipality has been using the reviewed strategy until now. There are intentions of reviewing the Strategy and our Municipality is getting the assistance of the Department of Local Government in that regard.

3.1.2 Setting up a LED unit;

Our Municipality has a fully fledged LED section. Our Organizational Structure suggests that Planning and Development under which LED is placed should have a section among its three sections, that should be dealing with Local Economic Development. This section is supposed to have 10 staff personnel according to the Organizational structure of the Municipality and currently it has 5 members. The personnel therefore within this section serves as a LED Unit of the Municipality.

3.1.3 The availability of a LED expertise;

Although our Municipality does have the so called experts in LED, our recruitment strategy was made in such a way that we are able to recruit personnel who have skills on LED and who have qualifications on areas around Local Economic Development. The LED Section has got 3 sub-sections that deal with SMME Development, Agriculture Development and Tourism Development. Each of these sub-sections is headed by the officer who accounts to the LED Co-ordinator. These officer have all skills and are knowledge of the field under which they work.

3.1.4 LED stakeholder forum functionality (number of meetings held);

Our Municipality had managed to revive its LED Stakeholder Forum during its review of the LED Strategy in 2007. The following are some of the stakeholders that made up our revived LED Forum:-

- LED Standing Committee
- NAFCOC
- Farmers Association (Libode & Ngqeleni)
- Hawkers Association (Libode & Ngqeleni)
- Local Tourism Organization
- KSD FET College
- Dept of Agriculture, DWAF, DEAT, Social Development, Public Works
- Traditional Leaders (Libode, Ngqeleni)
- Msobomvu Youth Fund & SEDA



- NGO's
- Taxi Industry (Libode, Ngqeleni & Ntlaza)

Although this LED Forum was revived and exists it never moved forward in terms of its mandate and as a result it could not have meetings during the year under review.

3.1.5 Funding opportunities of LED activities (indicative figures on Donors/funders and types of program)

During February 2009 our Municipality presented 7 projects to the OR Tambo District Municipality Investment Conference. This was one of the investor mobilization where the Municipality was given the opportunity to showcase our major economic development projects in an attempt of securing funding opportunities. The projects that were showcased were:-

- Mlengane Eco-Tourism Development Project
- Ntlangano Conservancy Project
- Essential Oils Project
- Malungeni Clay Mining Project
- Mdumbi Hotel and Conference Centre Development
- Erf 88 Commercial Development
- Forestry Development

Of these projects, funding has been secured in respect of Mlengane Eco- Tourism Development where European Union through Thina Sinako approved R1m for the development of feasibility study. Funding has not yet been confirmed for other projects.

3.2 Progress towards achieving the LED key objectives

a. Improve public and market confidence

3.2.1. Spatial development framework (SDF)/Land use management system(LUMS);

- We established Land Use Management Procedures to present to standing committee so as to promote transparency and to ensure proper administration of development applications lodged to the Municipality.
- Identified aspects of the Proposed Nyandeni Town Planning Scheme that need rectification and improvement so as to formulate a comprehensive Scheme Regulations that will see the development and land use management objectives of the Department and Municipality at large.
- The Scheme Regulations is currently incoherent. All the changes that had to be done on the document to assist the Municipality administer Town Planning Applications have been drafted. The Draft Scheme Regulations did not consist of a price tariff plan which is a



component of the Scheme Regulations. This tariff plan has been formulated during the year under review..

- The Standing Committee was taken on board on Land Development applications.
- Terms of Reference were crafted for the review of the Spatial Development Framework.

3.2.2.Red tape reduction: Turn-around time for licensing and other business related applications;

- Applications were received by the Municipality for trading within the Municipal area. No considerations for these applications were made due to the fact that we needed to first organize them and introduce the payment of licences.
- Meetings have been held with streets traders in order to persuade them to adhere to regulations and with regards to cleanliness of town and paying of trading licences.
- We also conducted an audit the street trading commodities.
- We have identified a need to assist hawkers Association by creating uniformity and start introducing that they are organized.
- We have identified a need to assist them with portable steel tables and chairs to promote the cleanliness of both towns.

3.2.3.Investments and trading by-laws

- Spatial Investigations were done on Erf 81 and 94 that has development potential for mixed use and commercial development utilizing GIS (Geographic Information Systems).
- Assisted in Securing land, Erf 251, Libode for the development of a petrol service station with supporting land use.
- Proposed rezoning of Erf 57, Libode for General Business Use to be developed as Super Spar.
- Meetings have been held regarding the transfer of Erf 88, Libode which is earmarked for business sites.
- The Municipality had visited Matatiele to understudy the Integrated Energy Centre (IeC) Project.
- The Municipality had initiated meetings with DME on licensing for quarrying activities.
- The Municipality started the process of signing Lease Agreement for the development of Erf 30, Ngqeleni as a shopping complex.
- Presented the following investment opportunities to the OR Tambo District Municipality's Investment Conference:-
 - Malungeni Clay Mining Project



- Essential Oils Project
- Erf 88 Business site
- Mlengana Economic Development Project
- Ntlangano Conservancy Project.
- Forestry Development
- Mdumbi Hotel and Conference Centre

Identified during IDP review, By-laws that had been developed including Liquor trading By-law, Street naming By-law and Advertising Bill Boards By-law. The gazetting of these bylaws need to be speeded up to ensure they are enforced without any challenges

3.2.4 Provision and maintenance of quality and reliable infrastructure: Roads; ITC; market places.

Our Municipality is in the process of upgrading the market places for hawkers and is planning to construct additional hawkers' stalls and to purchase movable stands in support of the street traders. With the plant and machinery at our disposal we also plan to maintain roads that lead to LED projects.

3.2.5 Disaster management within the context of conducive environment for economic development (policy /framework adoption and implementation);

OR Tambo District Municipality has the competence to deal with issue of Disaster Management and they also have a disaster office at our Municipality. The District Municipality is ensuring that the environment is conducive for economic development through Disaster Management

b. Exploit comparative and competitive advantage for industrial activities

- Assisted in fast tracking Land Disposal/transfer by the Department of Public Works by gathering all documentation required from the Municipality in order for the application for the donation of Erf 88, Libode, earmarked for the establishment of business sites to be properly administered and approved.
- Administered application for the Rezoning of Erf 57, Libode from Special Residential to General business Use.
- Appointment of conveyances to register Erf 88 and other Municipal properties into the name of the Municipality.
- Securing of coastal land, land that will serve as source of income through leasing to Government Departments and transfer of Municipal properties including Erf 88 into the name of the Municipality.
- The Municipality is in the process of signing Lease Agreement for the development of Erf 30, Ngqeleni which is a site to be leased for a Shopping complex.

Our Comparative advantage include:-



- Livestock (Beef production)
- Mining
- Dikela Cliff
- Mlenngana Cliff
- Hemp
- Aloe plant (umhlaba)

Our Competitive advantage include:-

- (a) Mdumbi estuary has a beautiful aerial view, scenery and natural vegetation.
- (b) Best shells along Tshani coast.
- (c) Rich in east coast rock lobster
- (d) Good fishing spots between Mnenu river and Mthatha Mouth.
- (e) Low in crime and friendly people.

C. Intensify Enterprise support and business development

C.1.The type of business development services (BDS) provided to SMME;

- Our Municipality, through partnership with Tsolo Agriculture and Rural Development Institute identified 36 catering companies with 74 caterers from the Municipal Data Base for training by the Institute on catering and in agricultural activities.
- Certificates were also handed over to caterers who were trained by Tsolo Agricultural and Rural Institute.
- A Memorandum of Agreement on Home Industry Improvement entered into between Nyandeni LM and Tsolo Agric. and Rural Development Institute was developed.
- Local taxis have also benefited during transportation of caterers to Tsolo.
- Assisted Malungeni Bakery Project by appointing the Bakery Manager for Malungeni Bakery Project for a period of 6 months to assist with mentorship to project beneficiaries.
- We also purchased equipment and ingredients for the Malungeni Bakery project
- SEDA conducted three day training to project members of this project.
- Our Honourable mayor handed over bakery equipment and baking inputs that had been bought by the municipality to support the project. The budget that was allocated to boost this project was R200.000.
- Organized launch for Nyandeni Bee Keepers Association and supported 6 bee keeping projects with basic equipment and protective clothing.

Small Business Indaba and Awareness Campaign

- The department is planning to open a Small Business Indaba and Awareness Office within the municipal premises. Small Enterprise Development Agency (SEDA) will open once or



twice a month to support small business on skills development and also assisting them on how to make an application for financial assistance.

- We also approached SEDA to organize Small Business Indaba and to create partnership towards SMME Development for the future.

C.2.Public and private partnerships established

During the year under review there had been no Public and Private Partnerships established.

C.3. Number of new formal SMME established within the municipality

A number of new SMME's have been established within the Municipality. This has been proved by the number of SMME's that have registered within the Data Base of the Municipality. About 50 new formal SMME's have been established during the year under review.

C.4.Number of new employment opportunities through Expanded Public Works Programs and Public and Private Partnerships

There had been about 25 people who were employed on a contract basis through Expanded Public Works Program. These people were employed for fencing at two maize fields that were ploughed by the Municipality during the year under review. Some of them (5) were tractor drivers who were ploughing those fields and another 5 were assistant s to tractor drivers.

D. Support Social investment program

During the year under review there was a total of 32 Co-operatives that were established within Nyandeni Local Municipality.

Our Municipality has managed to organize the 203 hawkers from both Libode and Ngqeleni to form Nyandeni Hawkers Association. The formation of this association is about to be complete.

There are no registered Youth Association. There is a Rural Women's Movement that has been established with Nyandeni Local Municipality.

3.3 Annual performance as per key performance indicators in LED

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Percentage of LED Budget spent on LED related activities.			
2	Number of LED stakeholder forum held			



3	Percentage of SMME that have benefited from a SMME support program			
4	Number of job opportunities created through EPWP			
5	Number of job opportunities created through PPP			

3.4 Challenges regarding LED strategy implementation

That are a number of challenges that affect the implementation of an LED Strategy. Some of them are:-

- Land Tenure System – The issue here is that the majority of the land is communal and there are very long processes that need to be followed in accessing it.
- Under development of the key Economic Sector that were identified; these are Agriculture, Tourism, Forestry and Retail.
- Lack of Bulk infrastructure e.g. roads leading to Economic potential areas.
- Degradation of land due to soil erosion. A land care program is required as a solution to this issue.
- Agriculture is mainly dominated by subsistence farming and serves as food security and there are no massive commercial farming practices.
- Access to funding is another challenge. There are limited financial resources to pursue Local Economic opportunities.
- Restructuring of mines lead to retrenchment of workers.
- Fencing of arable and grazing lands pose another challenge.
- Difficulty in attracting potential investors to develop the land.
- Lack of necessary skills to pursue economic development.

Proposed solutions

In trying to address these challenges the following are proposed solutions:-

- The process for the release of land for development should be speeded up. Chiefs and headmen should be given enough capacity to deal with issues of land development.
- MIG funding should be used to such an extent that priority is given to roads leading to Local Economic Development projects and Tourist attraction areas.
- Environmental awareness programs should be conducted on a continuous basis.
- Facilitate skills development to ensure meaningful participation and involvement in the socio-economic development of the area.
- Mobilize resources for the implementation of priority projects and programmes.



Chapter 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

4.1 The audited financial statements

The financial statements include:

- Statement of financial position (balance sheet),
- Statement of financial performance (operating statement),
- Cash flow statement,
- Statement of changes in net assets
- Supporting notes to the financial statements.
- Remuneration of councillors, Directors, officials, members and officials of municipal entities

4.2 Budget to actual comparison

The following chart demonstrates the proportional allocation of the operating expenditure in terms of the 5 National Key Performance areas.

IDP	2007/08	2008/09	2008/09	2009/10
PRIORITY		BUDGET	Actual Expenditure	BUDGET
Executive and Council	14,750,131	22,306,981	21,068,462	22,652,492
Finance and Administration	16,574,313	19,343,021	16,760,312	22,065,158
Planning and Development	4,129,800	6,616,674	5,401,595	7,419,226
Housing	569,448	826,173	436,690	878,892
Community and Social services	11,995,501	10,630,062	3,782,937	12,175,126
Public Safety	1,483,801	1,708,927	4,232,912	3,334,249
Waste Management	2,725,800	3,088,021	2,404,227	2,772,388
Technical Services	23,674,908	23,115,172	21,728,665	29,724,475
Other – Tourism	377,176	815,096	486,451	630,003



Budget variance vs actual expenditure as per the following category;

	<i>Actual '2009</i> R	<i>Budget '2009</i> R
INCOME		
Grants and Subsidies	75,156,750	74,339,000
- Central Government	73,581,337	74,339,000
- Provincial Government	1,575,413	
Operating Income	5,969,404	21,919,413
- Assessment Rates	1,140,796	1,100,000
- Interest Received	3,826,631	900,000
- Refuse	46,058	20,000
- Other Income	955,920	19,899,413
TOTAL INCOME	<u>81,126,155</u>	<u>96,258,413</u>
GROSS EXPENDITURE	<u>75,929,867</u>	<u>96,258,413</u>
Operational Expenditure		
- Salaries, Wages and Allowances	34,208,031	41,692,971
- General Expenses	22,886,803	23,730,138
- Repairs and Maintenance	1,004,141	4,338,314
- Contribution to Fixed Assets	17,830,892	26,468,000
- Contribution to funds	-	28,990
- LESS : Amounts charged out	-	-
NET EXPENDITURE	<u>75,929,867</u>	<u>96,258,413</u>



4.3 Grants and transfers' spending

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, ACT 56 OF 2003

The following grant funds had been spent in accordance with the Division of Revenue Act, no funds have been diverted other than the original purpose. All funds have been transfer accordingly and on Equitable share, and amount of R 2,3 million had been added on the last transfer by National Treasury on their adjustment.

Grand Details		Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Project name	Donor name	Rec.	Spent	Rec.	Spent	Rec.	Spent	Rec.	Spent
FMG	National Treasury	500,000	54,996		54,996		137,919		261,186
MSIG	DPLG	735,000	126,550		194,800		487,248		65,900
MIG	DPLG		7,447,232	7,290,000	6,101,655	6,107,000	4,503,052	12,005,118	3,450,937
Equitable Share	National Treasury	17,277,215	16,177,373	12,957,911	15,678,098	23,894,356	12,458,321		8,665,260



4.4 Meeting of Donors' requirements in respect of conditional grants

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, ACT 56 OF 2003

The following grant funds had been spent in accordance with the Division of Revenue Act, no funds have been diverted other than the original purpose. All funds have been transfer accordingly and on Equitable share, and amount of R 2,3 million had been added on the last transfer by National Treasury on their adjustment.

4.5 Long term contracts entered into by the municipality

The municipality does not have long-term contracts and long –term loans.

4.6 Annual performance as per key performance indicators in financial viability

Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1 Percentage expenditure of capital budget	26,468,000	17,830,892	67%
Percentage expenditure of Repairs and maintenance budget	4,338,314	1,004,141	23%
2 Salary budget as a percentage of the total operational budget	41,692,971	34,208,031	82%
General expenditure	23,730,138	22,886,803	96%
4 Total municipal own revenue as a percentage of the total actual budget	21,919,413	5,969,404	%
5 Percentage of MIG budget appropriately spent	R 18,149,375.42	18,538,547.	102%
6 Percentage of MSIG budget appropriately spent	R 200,000	R 60,000	30%



4.7 The Audit committee functionality

The audit committee did not fulfil its mandate as per the audit charter and they only set once for the year 2008/09

4.8 Arrears in property rates and service charges

Debtor Age Analysis Summary as at 30 June 2008

The amount are shown in R '000 on the following age analysis. There was provision of bad debts of all debts more than 120 days that was made.

Month	Current	30 days	60 days	90 days	Total
Rates	-153	75	148	5 049	5 119
Refuse	-1	4	7	103	114
TOTAL	-154	79	155	5 152	5 233

Free Basic Services

Free Basic Water: 6kl were supplied to all households qualifying for indigent status in accordance with Council's policy.

Free Basic Electricity: 50kWh were supplied to all households qualifying for indigent status in accordance with Council's policy in its area of supply.

4.9 Anti corruption strategy

Anti-corruption strategy was not in place however the Office of the municipal manager will co-ordinate development of the plan during the next financial year 2009/10.



Chapter 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

5.1 Overview of the Executive and Council functions and achievements;

The council ensure that all the committees of the Council including the Council hold their meetings as scheduled and keep resolutions record. They make sure that the resolutions are implemented by management. The council and standing committees meetings were very few during the period under review (January to March).

The table below illustrates how often the committees including the council held their meetings.

Name of the Committee	Number of meetings in the period under review
Disaster Management Committee	1
Public safety and Protection Services Committee	2
Special Programmes Unit Committee	3
Community Services Committee	4
Local Economic Development Committee	8
Planning and Development Committee	3
Corporate Services Committee	4
Technical Services Committee	6
Budget and Treasury Committee	6
Executive Committee	15
The Council	7



- All the minutes of the committees and the council are available and filed in the safe place together with the Council resolutions.
- Mayor's office intervened in other programmes presented to her by communities and civil organisation. Below is the list of intervention programmes conducted by Mayor's Office.
- Provide support to Indaba Zosindiso who held a big prayer for the upcoming elections.
- Give support to the Council of Churches who holds its prayer for the upcoming elections.
- Employment of 105 casuals in Siyacoca Programme who conducted cleaning and alien plant control in both towns for six month.
- Assisted Mfuleni farming project at ward 6 with kraal manure
- Donation of Christmas gifts for Canzibe and St' Barnabas hospitals' Old age home & Mzomtsha Children's Home
- Assisted in the burial of the Sovitha Msuthu Family members
- Handing over of Sibanye Agricultural project at Mdumazulu Ward 17.
- Assisted the launch of Malungeni Bakery Project and signing of memorandum of understanding between SEDA and project owners
- On the 22-23/06/2009 there was door to door HIV and Aids Awareness campaign at Canzibe. On the 24/06/09 there was Candle light HIV and Aids event at Canzibe which was organized jointly with OR Tambo District Municipality.
- Assistance towards the funeral service of ward 10, ward committee
- Assistance towards the funeral service of chief S. Ndamase of Nyandeni
- Supported Nyandeni great place event which was going to be visited by state officials from government
- Support to the inauguration of Chief Gwadiso at Ntsundwana.
- Support to the funeral of late Chief Lubuzo at ward 4.
- Support to the launch of the house of traditional leaders which was held at Ngqeleni Town Hall.
- Hon mayor with the Exco members were embarked on the programme of visiting school during their opening. The aim of this visit was to boost the moral of learners and educators during 2009 educational



1. CHALLENGES EXPERIENCED

- For the Council committees and the Council meetings the challenge was that the period under review was the period of the run up to the National and Provincial elections and after the elections the council was busy with the road shows for the IDP and Budget and also the adoption of both documents. The Councillors as politicians were not that much available for the meetings because of the political campaigns.
- For the committees that had very few meetings the challenge is that some of the members of the standing committees fail to attend the scheduled standing committee meetings.

2. SUGGESTED CORRECTIVE MEASURES

- The offices of the Honorable Chief Whip and the Honorable Speaker should take necessary steps to make sure that the standing committees hold their meetings as scheduled.
- The Community Development Workers to hold their monthly round table meetings and the assessment meetings.

3. RISK MANAGEMENT

- Necessary steps should be taken to prevent the standing committees from not holding their meetings.
- Ensure that the schedule is strictly followed.
- The committee clerks to make sure that they advise the portfolio heads in time about the stranding committee meetings.

5.2 Public participation and consultation;

- Public Participation through mayoral Imbizos that were held on 21 October to 14 November 2008 in all 26 Wards were successful and all the comments and request were consolidated into a document and the affected departments instructed to address those community needs. Sector department were also invited but very few departments participated.



- The Unitra Community Radio had a Live Broadcast of Ward Councillors on Service Delivery issues where the Communities were given chance to ask questions directly from their councillors.
- Appointment of Public Participation Officer on the 01/12/2008
- Public Participation through representative forum during the IDP reviews process.
- Road shows for IDP and Budget were conducted to all the 26 wards during 11 May 2009 to 14 May 2009 and all communities accepted the draft IPD and Budget.
- Council meeting held on the 27/05/2009 for the adoption of IDP and Budget 2009/10 2009.

5.3 Ward committees' establishment and functionality

The Municipality is having 26 wards and each ward is having a total of 10 ward committees. The ward committees serve as foot soldiers for service delivery as they are elected by communities together with the ward councillor to stimulate service delivery within their respective area of jurisdictions. The ward committees' meet at least once a month discussing issues of service delivery affecting communities they represent. Every month they produce monthly reports to the office of the Speaker to be considered as needs from the wards. They also submit attendance register for their meetings. Ward committees were involved in the area based planning which was championed by IDT, to initiate planning at ward level and these plans will be incorporated in the IDP, as needs from the wards. CDWs also sit in these meetings as ex-officio members.

5.4 Community Development workers performance monitoring

Each ward is having one CDW but the cooperation with ward committees is not that good. The CDWs report to the province and copies of their reports are submitted to the office of the Speaker for acknowledgement of their functions in the wards as such they don't account to the ward councillor and their effort towards addressing problems of the ward are not coordinated. They participate fully to IDP and Budget processes. They also sit to ward committee meetings as ex-officio members. Their monthly reports are available.

5.5 Communication strategy

5.5.1 Development stage of the communication strategy;



Our communication strategy was crafted/developed in year 2007 with the assistance of the O.R. Tambo District Communications forum formed up by the relevant stakeholders.

5.5.2 Adoption of the strategy by the council;

The municipality's Communication strategy was not completed and approved by the council due to the fact that internal municipal departments were not cooperating so that its action plan can be completed; internally the atmosphere was not favourable to the finalisation and realisation of the need of Communication as a strategic function in this level of local government.

5.5.3 Human resource available to lead the communication activities;

There is only one person as from the year 2003 in this office who has to ensure that all the communications function is performed efficiently on a daily basis facing all the kinds of challenges posed by the working environment politically, financial and otherwise. In terms of the Organisational structure the said department/unit should be having at least five people to become a fully fledged one.

5.5.4 Infrastructural resource available for communication activities

This office which is not a fully fledged department/unit is not having all the required infrastructural resource due to financial constraints we are experiencing on a daily basis even when the municipality is budgeting it does not provide enough and needy resources.

5.6 Intergovernmental Relations

IGR Meetings are held on monthly basis but attendance is very poor. The sector Departments are not corporative when they are invited to these forums. They send junior staff who cannot take decisions. They keep on changing people, there is no consistence.

During IDP and Budget engagements Sector Department failed to submit their sector plans for the specific project they are going to implement at Nyandeni L.M.

5.7 Legal matters

5.8.1 Setting up of Legal Units

The municipality has got a legal unit which is manned by a legal advisor, who is an admitted attorney, and an administration clerk. However, some of the cases, especially those in the High court are outsourced to outside firms. The firms that we have used recently are A.S. Zono & Associates, X.M. Petse Inc & Jolwana Mgidlana & Associates.

5.8.2 Management of litigation

1. Case Load Management with specific reference to:



a. Favourable cases

Case name	Recovery (yes/No)	Reasons for non recovery
Nyandeni Local Municipality vs Henly Tshaka Hlazo	No	The defendant is defending the matter and the matter is pending in court
Nyandeni Local Municipality vs Lindikhaya Joseph Matyunjwa	No	The defendant is defending the matter and the matter is pending in court
Nyandeni Local Municipality vs Lawrence Ndzimeni Mambila	No	The defendant is defending the matter and the matter is pending in court
Nyandeni Local Municipality vs Gilbert Nazo Cekwana	Yes	Judgement has been obtained against the defendant and he is paying the debt in instalments
Nyandeni Local Municipality vs Kulile Clock	No	The defendant is defending the matter and the matter is pending in court
Nyandeni Local Municipality vs Alice Nomvula Ponco	No	The defendant is defending the matter and the matter is pending in court

b. Unfavourable cases

Case name	Compliance with	Reasons for non
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	judgement (yes/No)	compliance with judgement
Iliso Consulting Engineers	No	No judgement has been obtained and the matter is being defended
Kholekile Thwantwa	No	No judgement has been obtained and the matter is being defended

2. Case age analysis,

Case name	Nature of the case	Date of commencement	Cases of 2 years or bellow	Cases beyond 2 years	Reasons for extensive duration
Nyandeni Local Municipality vs Henly Tshaka Hlazo	Civil litigation	2009		Iliso Consulting Engineers	Postponements

3. Default judgements

Case name	Reasons for default judgement
None	

4. Prevention mechanisms of current litigations:

The municipality tries its best to make sure that service providers are paid timeously, so as to avoid litigation. However some of the abovementioned cases could not be avoided as they had no basis and had to be defended.

5. Criminal matters emanating from corruption and fraud

The following cases emanate from corruption and / or fraud: Nyandeni local Municipality vs Tshaka Henley Hlazo; Nyandeni Local Municipality vs Lawrence Mambila & Nyandeni Local Municipality vs Lindikaya Matyunjwa.

5.8.3 Management of Legal Risks

The municipality is in the process of developing a policy for the management of legal risks and the process is still work in progress.



PART 3- FUNCTIONAL AREAS REPORTING AND ANNEXURE



A: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

1. General information (population statistics)

<i><Insert name of municipality></i> GENERAL INFORMATION	
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Reporting Level	Detail	Total	
Overview:	Provide a general overview of municipality: this may include a short narrative of issues peculiar to the municipality and issues specific to the financial year being reported		
Information:	<i><Provide statistical information on (as a minimum):></i>		
	Geography:		
	1 Geographical area in square kilometres	<i><total></i>	
	Note: Indicate source of information		
	Demography:		
	2 Total population	<i><total></i>	
	Note: Indicate source of information		
	3 Indigent Population	<i><total></i>	
	Note: Indicate source of information and define basis of indigent policy including definition of indigent		
	4 Total number of voters	<i><total></i>	
5	Aged breakdown:		
	- 65 years and over	<i><total></i>	
	- between 40 and 64 years	<i><total></i>	
	- between 15 and 39 years	<i><total></i>	
	- 14 years and under	<i><total></i>	
6	Note: Indicate source of information		
	Household income:		
	- over R3,499 per month	<i><total></i>	
	- between R2,500 and R3,499 per month	<i><total></i>	
	- between R1,100 and R2,499 per month	<i><total></i>	
	- under R1,100 per month	<i><total></i>	
	Note: Indicate source of information		

2. Finance and Administration function's performance



Function:	Finance and Administration
Sub Function:	Finance

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .		
Description of the Activity:	<p>The function of finance within the municipality is administered as follows and includes:</p> <p><i>The municipality offers community related services such as refuse collection, property rates and other related services like traffic services etc</i></p> <p><i>The service station are mainly two offices and they are Libode and Ngqeleni.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Ensure the safekeeping of cash</i></p> <p><i>Ensure money banked on a daily basis and handle all customer related questions and queries.</i></p> <p>The key issues for 2008/09 are:</p> <p><i>Ensure that the municipality is financial viable reduce debts by 60% through credit control and debt collection</i></p>		
Analysis of the Function:			
1	<p>Debtor billings: number and value of monthly billings:</p> <p>The billing is run both on a yearly and monthly basis. The yearly billing related to Property Rates and monthly relates to Refuse services</p> <p>- Number and amount billed each month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents</p> <p>Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (eg: water, electricity etc) and by category</p>	<p>2080 debtors</p> <p><R 1,2 million pa</p> <p>Refuse R 48 000pa</p>	<p>R (000s)</p> <p>R1,28m</p>
2	<p>Debtor collections: value of amount received and interest:</p> <p>Property Rates</p> <p>Refuse</p> <p>- Value received from monthly billings each month and interest from the previous month across debtors by function (eg: water, electricity etc) and by category: Government, Business, Residents and Indigents</p> <p>Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function and by category</p>	<p>R (000s)</p> <p>1.2</p> <p>R 502</p>	<p>R (000s)</p> <p>48</p> <p><interest></p>
3	Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:	R (000s)	



		The debtors owing in relation to refuse and property rates resulted to a total debt of R 5,2 million and we allowed pro		
		- Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (eg: water, electricity etc) and category	5,209	
		Note: create a suitable table to reflect debts outstanding over 30, 60, 90 and 120 plus days across debtors by function and category		
4	Write off of debts: number and value of debts written off: - Total debts written off each month across debtors by function (eg: water, electricity etc) and category Note: create a suitable table to reflect write offs each month across debtors by function and category			R (000s)
		<number>	<value>	
5	Property rates (Residential): - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year			R (000s)
		<number>	<value>	
		<number>	<value>	
		<number>	<value>	
				<value>
Reporting Level	Detail	Total		
6	Property rates (Commercial): - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year			R (000s)
		<number>	<value>	
		<number>	<value>	
		<number>	<value>	<value>
8	Property valuation: - Year of last valuation - Regularity of valuation	<year>		
		<cycle>		
9	Indigent Policy: - Quantity (number of households affected) - Quantum (total value across municipality)	<total>		
		<value>		
10	Creditor Payments: <List creditors here> Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days	R (000s)		
		<value>	<age>	
11	Credit Rating: <List credit rating details here> List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated	R (000s)		
		<value>	<date>	
12	External Loans: - Total loans received and paid during the year Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table.	R (000s)	R (000s)	
		<received>	<paid>	
13	Delayed and Default Payments: <List delayed and default payments here> List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature Note: This information need not be reported here if reported as notes to the accounts.	<value>	<date>	



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3. Planning and Development function's performance

Function:	Planning and Development		
Sub Function:	Economic Development		
Reporting Level	Detail	Total	
Overview:	Includes all activities associated with economic development initiatives		
Description of the Activity:	The function of economic planning / development within the municipality is administered as follows and includes:		
	<i><List administration of each function here: this should detail what is offered, and how it is offered to the community></i>		
	These services extend to include <i><function/area></i> , but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a mandate to:		
	<i><List here></i>		
	The strategic objectives of this function are to:		
	<i><List here></i>		
	The key issues for 200X/0Y are:		
	<i><List here></i>		
Analysis of the Function:	<i><Provide statistical information on (as a minimum):></i>		
	1 Number and cost to employer of all economic development personnel:		R (000s)
	- Professional (Directors / Managers)	<i><total></i>	<i><cost></i>
	- Non-professional (Clerical / Administrative)	<i><total></i>	<i><cost></i>
	2 - Temporary	<i><total></i>	<i><cost></i>
	- Contract	<i><total></i>	<i><cost></i>
	3 Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
	Detail and cost of incentives for business investment:		R (000s)
	<i><list details></i>		<i><cost></i>
	4 Note: list incentives by project, with total actual cost to municipality for year		
	5 Detail and cost of other urban renewal strategies:		R (000s)
	<i><list details></i>		<i><cost></i>
	Note: list strategies by project, with total actual cost to municipality for year		

	6	Detail and cost of other rural development strategies:		<i>R (000s)</i>
		<list details>		<cost>
		Note: list strategies by project, with total actual cost to municipality for year		
	6	Number of people employed through job creation schemes:		
		- Short-term employment	<number>	
		- Long-term employment	<number>	
		Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives		
		Number and cost to employer of all Building Inspectors employed:		<i>R (000s)</i>
		- Number of Building Inspectors	<number>	<value>
		- Temporary		
		- Contract		
		Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package		
		Details of building plans:		
		- Number of building plans approved	<number>	
		- Value of building plans approved	<value>	
Reporting Level		Detail	Total	
		Note: Figures should be aggregated over year to include building plan approvals only		
7		Type and number of grants and subsidies received:		<i>R (000s)</i>
		<list each grant or subsidy separately>	<total>	<value>
		Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		

4. Community and social services function's performance

Function:	Community and Social Services
Sub Function:	All inclusive

Reporting Level	Detail	Total
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Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p><List administration of each function here: this should detail what is offered, and how it is offered to the community></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><List here></p> <p>The strategic objectives of this function are to:</p> <p><List here></p> <p>The key issues for 200X/0Y are:</p> <p><List here></p>		
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <p>1 Nature and extent of facilities provided:</p> <ul style="list-style-type: none"> - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care (including creches etc) - Aged care (including aged homes, home help) - Schools - Sporting facilities (specify) - Parks <p>Note: the facilities figure should agree with the assets register</p> <p>2 Number and cost to employer of all personnel associated with each community services function:</p> <ul style="list-style-type: none"> - Library services - Museums and art galleries - Other community halls/facilities - Cemeteries and crematoriums - Child care - Aged care - Schools - Sporting facilities - Parks <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>6 Total operating cost of community and social services function</p>	<p>no of facilities:</p> <p><number></p> <p><number></p> <p><number></p> <p><number></p> <p><number></p> <p><number></p> <p><number></p> <p><number></p> <p><sq km></p>	<p>no of users:</p> <p><number></p> <p><number></p> <p><number></p> <p><number></p> <p><number></p> <p><number></p> <p><number></p> <p><number></p> <p>R(000s)</p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p>R (000s)</p>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target



<ul style="list-style-type: none"> Approved HIV/AIDS strategy; Approved Disaster management policy frameworks and plans (Metro and DM) 	<p>< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.</p>		

5. Housing function's performance

Function:	Housing
Sub Function:	N/A

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with provision of housing		
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <p><List administration of each function here: this should detail what is offered, and how it is offered to the community></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><List here></p> <p>The strategic objectives of this function are to:</p> <p><List here></p> <p>The key issues for 200X/0Y are:</p> <p><List here></p>		
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <p>1 Number and cost of all personnel associated with provision of municipal housing:</p> <ul style="list-style-type: none"> - Professional (Architects/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract 		R (000s)
		<total>	<cost>
		<total>	<cost>
		<total>	<cost>
		<total>	<cost>
		<total>	<cost>
		<total>	<cost>



	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.		
2	Number and total value of housing projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	<total> <total>	R (000s) <value> <value>
3	Total type, number and value of housing provided: <list details by type of dwelling, see below> Note: total number and total value of housing provided during financial year	<total>	R (000s) <value>
4	Total number and value of rent received from municipal owned rental units <list details, including number of units handed over to residents>	<total>	R (000s) <value>
5	Estimated backlog in number of (and costs to build) housing: <list details by type of dwelling, see below> Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	<total>	R (000s) <cost>
6	Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet	<total> <total> <total> <total> <total> <total>	
Reporting Level	Detail	Total	
7	Type and number of grants and subsidies received: <list each grant or subsidy separately> Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.	<total>	R (000s) <value>
8	Total operating cost of housing function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<List at least five key performance areas relative to the above function as articulated in the 200X/0Y budget here>	< List here the actual performance achieved over the financial year, and the variance between performance planned and actual performance, providing an explanation of the variance. Also provide details of any improvements planned for next year.		

6. Waste management function's performance

Function:	Waste Management
Sub Function:	Solid Waste



Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	<p>The refuse collection functions of the municipality are administered as follows and include:</p> <p><List administration of each function here: this should detail what is offered, and how it is offered to the community></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><List here></p> <p>The strategic objectives of this function are to:</p> <p><List here></p> <p>The key issues for 200X/0Y are:</p> <p><List here></p>		
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <p>1 Number and cost to employer of all personnel associated with refuse removal:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>2 Number of households receiving regular refuse removal services, and frequency and cost of service:</p> <ul style="list-style-type: none"> - Removed by municipality at least once a week - Removed by municipality less often - Communal refuse dump used - Own refuse dump - No rubbish disposal <p>Note: if other intervals of services are available, please provide details</p> <p>3 Total and projected tonnage of all refuse disposed:</p> <ul style="list-style-type: none"> - Domestic/Commercial - Garden <p>Note: provide total tonnage for current and future years activity</p> <p>4 Total number, capacity and life expectancy of refuse disposal sites:</p> <ul style="list-style-type: none"> - Domestic/Commercial (number) - Garden (number) <p>Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period</p>	<p>R (000s)</p> <p><total> <cost></p> <p><total> <cost></p> <p><total> <cost></p> <p><total> <cost></p> <p><total> <cost></p> <p><total> <cost></p> <p>R (000s)</p> <p><total> <cost></p> <p><total> <cost></p> <p><total> <cost></p> <p><total></p> <p><current> <future></p> <p><current> <future></p> <p><capacity> <lifespan></p> <p><capacity> <lifespan></p>	
Reporting Level	Detail	Total	



5	Anticipated expansion of refuse removal service:		<i>R (000s)</i>
	- Domestic/Commercial	<total>	<cost>
	- Garden	<total>	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
6	Free Basic Service Provision:		
	- Quantity (number of households affected)	<total>	
	- Quantum (value to each household)	<value>	
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
7	Total operating cost of solid waste management function		<i>R (000s)</i>

7. Waste water management

Function:	Waste Water Management
Sub Function:	Sewerage etc

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <p><List administration of each function here: this should detail what is offered, and how it is offered to the community></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><List here></p> <p>The strategic objectives of this function are to:</p> <p><List here></p> <p>The key issues for 200X/0Y are:</p> <p><List here></p>		
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <p>1 Number and cost to employer of all personnel associated with sewerage functions:</p> <p>- Professional (Engineers/Consultants)</p> <p>- Field (Supervisors/Foremen)</p> <p>- Office (Clerical/Administration)</p> <p>- Non-professional (blue collar, outside workforce)</p>		<i>R (000s)</i>
		<total>	<cost>
		<total>	<cost>
		<total>	<cost>
		<total>	<cost>



	- Temporary	<total>	<cost>
	- Contract	<total>	<cost>
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
2	Number of households with sewerage services, and type and cost of service:		R (000s)
	- Flush toilet (connected to sewerage system)	<total>	<cost>
	- Flush toilet (with septic tank)	<total>	<cost>
	- Chemical toilet	<total>	<cost>
	- Pit latrine with ventilation	<total>	<cost>
	- Pit latrine without ventilation	<total>	<cost>
	- Bucket latrine	<total>	<cost>
	- No toilet provision	<total>	<cost>
	Note: If other types of services are available, please provide details		
3	Anticipated expansion of sewerage:		R (000s)
	- Flush/chemical toilet	<total>	<cost>
	- Pit latrine	<total>	<cost>
	- Bucket latrine	<total>	<cost>
	- No toilet provision	<total>	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
4	Free Basic Service Provision:		
	- Quantity (number of households affected)	<total>	
	- Quantum (value to each household)	<value>	
Reporting Level	Detail	Total	Cost
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
5	Total operating cost of sewerage function		R (000s)

8. Road maintenance's function's performance

Function:	Road Transport
Sub Function:	Roads

Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	<p>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</p> <p>The provision and maintenance of gravel access roads is the function of the Local Municipality</p> <p>The maintenance and provision of surface (tarred) roads is within the functions of the Municipality.</p> <p>The construction and maintenance of the Provincial roads is within the functions of the Department Roads</p> <p>Maintenance of the National roads (N2 and R61) is the function of</p>		



	<p>SANRAL (South African National Roads Agency)</p> <p>The strategic objectives of this function are to:</p> <ol style="list-style-type: none"> 1. To facilitate the provision of surfaced roads in both Ngqeleni and Libode Towns. 2. To alleviate the rate of unemployment by creating job opportunities (road constructions). 3. Assisting the emerging local contractors by organizing workshops and seminars 4. To provide rural access roads with a minimum 5 year lifespan with minor maintenance work. 5. To provide maintenance of roads <p>The key issues for 2008/09 are:</p> <p>The Municipality has managed to spend 100% of its MIG funds The Municipality has managed to create 200 jobs The Municipality has managed to complete 66.5 km of Access Roads</p>		
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <ol style="list-style-type: none"> 1 Number and cost to employer of all personnel associated with road maintenance and construction: <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> 2 Total number, kilometres and total value of road projects planned and current: <ul style="list-style-type: none"> - New bitumenised (number) - Existing re-tarred (number) - New gravel (number) - Existing re-sheeted (number) <p>Note: if other types of road projects, please provide details</p> 3 Total kilometres and maintenance cost associated with existing roads provided <ul style="list-style-type: none"> - Tar - Gravel 	<p><total></p> <p><total></p> <p><total></p> <p><total></p> <p><total></p> <p><total></p> <p><total></p> <p>1.8</p> <p>0</p> <p>66.5</p> <p>0</p> <p>2km</p> <p>740km</p>	<p>R (000s)</p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p><cost></p> <p>R 4,457,5000</p> <p>0</p> <p>R 23,439,00</p> <p>0</p> <p>R 3,000</p> <p>R</p> <p>185,000(estimated)</p>



			R250,000/km)
	Note: if other types of road provided, please provide details		
4	Average frequency and cost of re-tarring, re-sheeting roads - Tar	2km	R (000s) R 1,500,000/km
	- Gravel		
	Note: based on maintenance records		
5	Estimated backlog in number of roads, showing kilometres and capital cost - Tar	20	R (000s) 70,000 (estimated at R3,500,000/km)
	- Gravel	1060 as per CIP	530,000 (estimated at R500,000/km)
Reporting Level	Detail	Total	Cost
	Note: total number should appear in IDP, and cost in future budgeted road construction programme		
6	Type and number of grants and subsidies received: <list each grant or subsidy separately>	2	R (000s) 23,439
	Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun this year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
7	Total operating cost of road construction and maintenance function		R (000s)

9. Water distribution function's performance

Function:	Water
Sub Function:	Water Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	<p>The water purchase and distribution functions of the municipality are administered as follows and include:</p> <p><List administration of each function here: this should detail what is offered, and how it is offered to the community></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which sits within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><List here></p> <p>The strategic objectives of this function are to:</p> <p><List here></p> <p>The key issues for 200X/0Y are:</p> <p><List here></p>		
	<Provide statistical information on (as a minimum):>		

1	Number and cost to employer of all personnel associated with the water distribution function: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.	<total> <total> <total> <total> <total> <total>	R (000s) <cost> <cost> <cost> <cost> <cost>
2	Percentage of total water usage per month <Insert table showing monthly water usage > Note: this will therefore highlight percentage of total water stock used per month	<volume>	<volume>
3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer - Category 1 <insert here> - Category 2 <insert here> - Category 3 <insert here> - Category 4 <insert here>	<volume> <volume> <volume> <volume>	R (000s) <cost> <cost> <cost> <cost>
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer: - Category 1 <insert here> (total number of households) - Category 2 <insert here> (total number of households) - Category 3 <insert here> (total number of households) - Category 4 <insert here> (total number of households)	<volume> <volume> <volume> <volume>	R (000s) <cost> <cost> <cost> <cost>
5	Total year-to-date water losses in kilolitres and rand <detail total>	<volume>	R (000s) <cost>
Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: if other types of services are available, please provide details	<total> <total> <total> <total> <total> <total> <total>	R (000s) <cost> <cost> <cost> <cost> <cost> <cost>
7	Number and cost of new connections: <detail total>	<number>	R (000s) <cost>
8	Number and cost of disconnections and reconnections: <detail total>	<number>	R (000s) <cost>
9	Number and total value of water projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	<total> <total>	R (000s) <cost>
10	Anticipated expansion of water service: - Piped water inside dwelling	<total>	R (000s) <cost>



	- Piped water inside yard	<total>	<cost>
	- Piped water on community stand: distance < 200m from dwelling	<total>	<cost>
	- Piped water on community stand: distance > 200m from dwelling	<total>	<cost>
	- Borehole	<total>	<cost>
	- Spring	<total>	<cost>
	- Rain-water tank	<total>	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
11	Estimated backlog in number (and cost to provide) water connection:		R (000s)
	- Piped water inside dwelling	<total>	<cost>
	- Piped water inside yard	<total>	<cost>
	- Piped water on community stand: distance < 200m from dwelling	<total>	<cost>
	- Piped water on community stand: distance > 200m from dwelling	<total>	<cost>
	- Borehole	<total>	<cost>
	- Spring	<total>	<cost>
	- Rain-water tank	<total>	<cost>
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
12	Free Basic Service Provision:		
	- Quantity (number of households affected)	<total>	
	- Quantum (value to each household)	<value>	
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
13	Type and number of grants and subsidies received:		R (000s)
	<list each grant or subsidy separately>	<total>	<value>
	Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
14	Total operating cost of water distribution function		R (000s)



10. Electricity distribution function's performance

Function:	Electricity
Sub Function:	Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity		
Description of the Activity:	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <p><i><List administration of each function here: this should detail what is offered, and how it is offered to the community></i></p> <p>These services extend to include <i><function/area></i>, but do not take account of <i><function/area></i> which resides within the jurisdiction of <i><national/provincial/other private sector></i> government. The municipality has a mandate to:</p> <p><i><List here></i></p> <p>The strategic objectives of this function are to:</p> <p><i><List here></i></p> <p>The key issues for 200X/0Y are:</p> <p><i><List here></i></p>		
Analysis of the Function:	<p><i><Provide statistical information on (as a minimum):></i></p> <p>1 Number and cost to employer of all personnel associated with the electricity distribution function:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p> <p>2 Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer</p> <ul style="list-style-type: none"> - Residential - Commercial - Industrial - Mining - Agriculture - Other <p>3 Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:</p> <ul style="list-style-type: none"> - Household - Commercial - Industrial - Mining 	<p><i>R (000s)</i></p> <p><i><total></i></p> <p><i><total></i></p> <p><i><total></i></p> <p><i><total></i></p> <p><i><total></i></p> <p><i><total></i></p> <p></p> <p><i><volume></i></p> <p><i><volume></i></p> <p><i><volume></i></p> <p><i><volume></i></p> <p><i><volume></i></p> <p><i><volume></i></p> <p><i><volume></i></p> <p><i><volume></i></p> <p><i><volume></i></p> <p><i><volume></i></p>	<p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p> <p><i><cost></i></p>



	- Agriculture	<volume>	<cost>
	- Other	<volume>	<cost>
4	Total year-to-date electricity losses in kilowatt hours and rand		R (000s)
	<detail total>	<volume>	<cost>
5	Number of households with electricity access, and type and cost of service:		R (000s)
Reporting Level	Detail	Total	Cost
	- Electrified areas		
	- Municipal	<total>	<cost>
	- Eskom	<total>	<cost>
	- Alternate energy source		
	- Gas	<total>	<cost>
	- Paraffin	<total>	<cost>
	- Solar	<total>	<cost>
	- Wood	<total>	<cost>
	- Non electrified	<total>	<cost>
	Note: if other types of services are available, please provide details		
6	Number and cost of new connections:		R (000s)
	<detail total>	<volume>	<cost>
7	Number and cost of disconnections and reconnections		R (000s)
	<detail total>	<volume>	<cost>
8	Number and total value of electrification projects planned and current:		R (000s)
	- Current (financial year after year reported on)	<total>	<cost>
	- Planned (future years)	<total>	<cost>
	Note: provide total project and project value as per initial or revised budget		
9	Anticipated expansion of electricity service:		R (000s)
	<detail total>	<total>	<cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
10	Estimated backlog in number (and cost to provide) water connection:		R (000s)
	<detail total>	<total>	<cost>
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
11	Free Basic Service Provision:		
	- Quantity (number of households affected)	<total>	
	- Quantum (value to each household)	<value>	
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.		
12	Type and number of grants and subsidies received:		R (000s)
	<list each grant or subsidy separately>	<total>	<value>
	Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
13	Total operating cost of electricity distribution function		R (000s)



B: ANNEXURE

The annexure is made up of the following documents arranged in the sequence below:

1. Full AG reports;
2. Plan of action of the municipality to address findings of the AG report;
3. Audit committee report
4. Approved Municipal Structure (Staff establishment);
5. Council resolutions adopting the Annual Report

